

PRE-QUALIFICATION SOLICITATION

ROYALTY GAS BIDDERS ROYALTY IN KIND PROGRAM TEXAS 8(G) RIK PILOT and GULF OF MEXICO RIK PILOT

PAPERWORK REDUCTION ACT STATEMENT: The Paperwork Reduction Act of 1995 requires us to inform you that the information being collected under this solicitation is necessary to document fulfillment of royalty obligations and sales of minerals from leases on Federal offshore lands. We will use this information to evaluate bids on sales of royalty production. The estimated burden to report is approximately one hour. Suggestions on reducing this burden should be directed to the Information Collection Clearance Officer; Minerals Management Service; 1849 C Street, N.W.; MS4230, Washington, DC 20240. Proprietary information submitted to the U.S. Department of the Interior is protected in accordance with standards established by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), The Freedom of Information Act [5 U.S.C. 552(b)(4)], and the Departmental Regulations (43 CFR 2). Storage of such information and access to it are controlled by strict security measures. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

COVER PAGE

The Minerals Management Service (MMS) is soliciting applications from energy companies and organizations that wish to be designated as pre-qualified to bid for purchase of the royalty portion of natural gas produced from offshore federal leases in the Texas 8(g) area of the Gulf of Mexico and other areas, Gulf-wide. This solicitation consists of this Cover Page and the attached Requestor's Signature Page.

Energy companies and organizations that have been previously pre-qualified to purchase or aggregate natural gas under any of MMS' RIK programs do not have to re-qualify.

MMS will review and analyze financial statements submitted by energy companies or organizations in response to this request in conjunction with publicly available information. Those companies that are deemed qualified by MMS to purchase royalty gas will be so notified. MMS will only consider competitive bids from pre-qualified companies.

Potential purchasers of Federal gas in this RIK pilot program must certify that the company's total revenues from buying and selling natural gas have not been less than the following during the past two calendar years:

| BID | QUALIFYING LEVEL |
|-----------------------------|-------------------------|
| Packages up to 10,000 MMBtu | \$2.5 million |
| Packages up to 20,000 MMBtu | \$5.0 million |
| Packages up to 30,000 MMBtu | \$7.5 million |
| Packages up to 40,000 MMBtu | \$10.0 million |

For each incremental 10,000 MMBtu within sales packages, potential purchasers must certify that their company's total revenues from buying and selling natural gas have not been less than an additional \$2.5 million during each of the previous two calendar years.

For joint ventures and partnering arrangements, only one of the partners is required to qualify, provided that each of the partners is jointly and severally liable with respect to all obligations in this solicitation. MMS requests interested energy companies/organizations complete and fax the attached Requestor's Signature Page with the most current company Financial Statement to:

U.S. Department of the Interior, Minerals Management Service, PMI
Attn: Mr. Martin C. Grieshaber
Golden Hill
12600 W. Colfax, Suite 440
Lakewood, CO 80215
Telefax (303) 275-7124

REQUESTOR'S SIGNATURE PAGE
TEXAS 8(G) RIK PILOT
and
GULF OF MEXICO RIK PILOT

REQUESTOR'S BUSINESS NAME: _____

ADDRESS: _____

CORPORATE OR PARTNERSHIP OFFICER: _____

TYPED NAME AND TITLE: _____

DATE: _____

POINT OF CONTACT NAME AND TITLE: _____

POINT OF CONTACT PHONE AND FAX: _____

POINT OF CONTACT EMAIL ADDRESS: _____

CORPORATE SEAL: _____

DUNS NUMBER: _____

Requests by corporations must be executed over the corporate seal.

We certify that we are a qualified bidder as described in the Cover Page of this solicitation and that the information, representations and certifications included in the attached Financial Statement are accurate.